



Patrick W. Henning, Director

April 7, 2009

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Arnold Schwarzenegger
Governor

Mr. Ernest B. Dowdy, Executive Director
City of San Bernardino Employment and Training Agency
600 N. Arrowhead Avenue
San Bernardino, CA 92401-1201

Dear Mr. Dowdy:

**WORKFORCE INVESTMENT ACT
85-PERCENT PROGRAM REVIEW
FINAL MONITORING REPORT
PROGRAM YEAR 2008-09**

This is to inform you of the results of our review for Program Year (PY) 2008-09 of the City of San Bernardino Employment and Training Agency's (SBETA) Workforce Investment Act (WIA) 85-Percent program operations. We focused this review on the following areas: Workforce Investment Board and Youth Council composition, local program monitoring of subrecipients, management information system/reporting, incident reporting, nondiscrimination and equal opportunity, grievance and complaint system, and Youth program operations including WIA activities, participant eligibility, and Youth services.

This review was conducted by Mr. Dave Ajirogi from January 5, 2009 through January 9, 2009.

Our review was conducted under the authority of Sections 667.400 (a) and (c) and 667.410 of Title 20 of the Code of Federal Regulations (20 CFR). The purpose of this review was to determine the level of compliance by SBETA with applicable federal and state laws, regulations, policies, and directives related to the WIA grant regarding program operations for PY 2008-09.

We collected the information for this report through interviews with SBETA representatives, service provider staff, and WIA participants. In addition, this report includes the results of our review of sampled case files, SBETA's response to Section I and II of the Program On-Site Monitoring Guide, and a review of applicable policies and procedures for PY 2008-09.

We received your response to our draft report on March 24, 2009 and reviewed your comments and documentation before finalizing this report. Because your response

adequately addressed the finding cited in the draft report, no further action is required at this time. However, this issue will remain open until we verify your implementation of your stated corrective action plan during a future onsite review. Until then, this finding is assigned Corrective Action Tracking System (CATS) number 90097.

BACKGROUND

The SBETA was awarded WIA funds to administer a comprehensive workforce investment system by way of streamlining services through the One-Stop delivery system. For PY 2008-09, SBETA was allocated: \$748,456 to serve 141 adult participants; \$862,882 to serve 145 youth participants; and \$403,736 to serve 32 dislocated worker participants.

For the quarter ending June 30, 2008, SBETA reported the following expenditures for its WIA programs: \$748,456 for adult participants; \$862,882 for youth participants; and \$160,976 for dislocated worker participants. In addition, SBETA reported the following enrollments: 179 adult participants; 99 youth participants; and 35 dislocated worker participants. We reviewed case files for 32 of the 318 participants enrolled in the WIA program as of January 5, 2009.

PROGRAM REVIEW RESULTS

While we conclude that, overall, SBETA is meeting applicable WIA requirements concerning grant program administration; we noted an instance of noncompliance in the area of attainment of degree or certificate. The finding that we identified in this area, our recommendation, and SBETA's proposed resolution of the finding are specified below.

FINDING 1

Requirement: WIA Section 136(b)(2)(A)(iv) states, in part, that core indicators of performance for employment and training activities include the attainment of a recognized credential relating to the achievement of educational or occupational skills.

Training and Employment Guidance Letter (TEGL) 17-05 part (b) states, in part, that automated records match with administrative or other data sources to determine and document that the participant has received a degree or certificate. Data sources may include the following: State boards of education, State boards governing community colleges, State boards governing universities, State licensing boards for private schools, State education associations, integrated post-secondary or higher education reporting units (possibly other units such as health care

administration or specific boards like the Board of Nursing), professional, industry, or employer organizations or product manufacturers or developers, training institutions/providers, Adult Basic Education providers (GED/equivalent testing agencies).

Observation: We found that 2 of the 32 case files reviewed did not contain documentation of attaining a degree or certificate that was reported as an outcome in the Job Training Automation (JTA) system. Specifically, the case file notes stated the individuals completed training or licensing but did not contain information about the degree or certificate such as the date attained, type of degree, or school attended.

Recommendation: We recommended that SBETA provide the Compliance Review Office (CRO) documentation of the industry recognized certificate or diploma for the two clients mentioned above. We also recommended that SBETA provide CRO a CAP to ensure that recognized certificates and diplomas are adequately documented in all case files.

SBETA Response: The SBETA provided copies of diplomas for the two identified participants mentioned above. Furthermore, SBETA stated the diplomas missing from the files reviewed appeared to be an oversight. The SBETA will continue to review all case files prior to exiting and provide training to their subcontractors to ensure compliance.

State Conclusion: The SBETA's response and documentation adequately addressed the finding cited in the draft report. However, we cannot close this issue until we verify that recognized certificates or diplomas are properly documented in the participants' case files. Until then, this issue remains open and has been assigned CATS number 90097.

Because the methodology for our monitoring review included sample testing, this report is not a comprehensive assessment of all of the areas included in our review. It is SBETA's responsibility to ensure that its systems, programs, and related activities comply with the WIA grant program, Federal and State regulations, and applicable State directives. Therefore, any deficiencies identified in subsequent reviews, such as an audit, would remain SBETA's responsibility.

Mr. Ernest B. Dowdy

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Please extend our appreciation to your staff for their cooperation and assistance during our review. If you have any questions regarding this report or the review that was conducted, please contact Ms. Mechelle Hayes at (916) 654-7005 or Mr. Dave Ajirogi at (916) 657-4591.

Sincerely,

A handwritten signature in black ink, appearing to read "Jessie Mar", with a stylized, cursive script.

JESSIE MAR, Chief
Compliance Monitoring Section
Compliance Review Office

cc: Steven Amezcua, MIC 50
Jose Luis Marquez, MIC 50
Daniel Patterson, MIC 45
Georganne Pintar, MIC 50